

Message Text

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73

ACTION AF-06

INFO OCT-01 ISO-00 EB-07 XMB-04 AID-05 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 RSC-01 /032 W

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R 071215Z FEB 75

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC 1348

INFO USDOC WASHDC

UNCLAS NAIROBI 1182

E.O. 11652: N/A

TAGS: BTIO, EFIN, KE

SUBJ: MOMBASA-NAIROBI PIPELINE

REF: NAIROBI 7136

1. AMBASSADOR HAS RECEIVED LETTER FROM DR. NJORGE MUNGAI, FORMER KENYAN FOREIGN MINISTER, NOW CHAIRMAN, KENYA PIPELINE COMPANY LTD. (KPC), ASKING AMBASSADOR'S SUPPORT FOR KPC'S RECENT APPLICATION TO EXIMBANK FOR FINANCING. KPC APPLIED DIRECTLY TO VICE PRESIDENT EARL YOUNG BY LETTER DATED JANUARY 31.

2. TOTAL COST OF BUILDING PRODUCT PIPELINE FROM MOMBASA TO NAIROBI WILL BE ABOUT U.S. \$80 MILLION. IBRD WILL APPARENTLY FINANCE MOST OF LOCAL COSTS. TO COVER FOREIGN EXCHANGE PORTION, KPC WILL REQUIRE SUPPLIERS CREDITS; I.E., EXIMBANK FINANCING IF U.S. FIRMS ARE TO BE IN RUNNING. DR. MUNGAI SAID THAT CONSTRUCTION CONTRACT ALONE IS WORTH U.S. \$20 MILLION.

3. INTERNATIONAL INTEREST IN BUILDING PIPELINE, PARTICULARLY BY JAPANESE, IS EXTREMELY HIGH. EMBASSY EMPHASIZES THAT U.S. FIRMS HAVE NO CHANCE WHATSOEVER WITHOUT GOVERNMENT-SUPPORTED FINANCING. WITH TIMELY EXIMBANK ASSISTANCE, WE MIGHT CARRY OF THIS PRESTIGIOUS PROJECT. EMBASSY STRONGLY RECOMMENDS
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FAVORABLE AND EXPEDITIOUS REPLY BY EXIMBANK TO

DR. MUNGA'S LETTER.
MARSHALL

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NNN

Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
Film Number: D750046-0187
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Margaret P. Grafeld
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